

# OHIO FARM REPORT



Volume No. 06 Issue No. 17  
Released: September 12, 2006

Ohio Field Office  
P.O. Box 686  
Reynoldsburg, Ohio 43068-0686  
(614) 728-2100  
FAX(614)728-2206  
*James Ramey, Director*

**FEATURING:** Crop Production Farm Expenditures Ag Prices Supply/Demand

## OHIO FORECASTED CORN YIELD UNCHANGED FROM AUGUST, SOYBEANS UP 1 BUSHEL

Based on conditions as of September 1, Ohio's average **corn** yield is forecast at 160 bushels per acre, unchanged from the previous forecast. If realized, this would be a new State record yield. Total production of 488.0 million bushels would be 5 percent more than was produced in 2005. Corn growers expect to harvest 3.05 million acres for grain in 2006, 200,000 acres less than in 2005. The average **soybean** yield in Ohio is forecast at 46 bushels per acre, up one bushel from the previous forecast and only one bushel shy of the State record yield of 47 bushels per acre recorded in 2004. Total State production is forecast at 201.5 million bushels, down less than 1 percent from last year. Harvested acreage is forecast at 4.38 million acres, down 100,000 from 2005. Ohio's 2006 **burley tobacco** yield is forecast at 2,000 pounds per acre, up 20 pounds from the 2005 average State yield of 1,980 pounds per acre. Total production is forecast at 6.20 million pounds from an expected 3,100 harvested acres.

### U.S. Corn Production Up 1 Percent from August Forecast, Soybean Production Up 6 Percent

U.S. corn production is forecast at 11.1 billion bushels, up 1 percent from last month and fractionally above 2005. Based on conditions as of September 1, yields are expected to average 154.7 bushels per acre, up 2.5 bushels from August and 6.8 bushels from last year. If realized, yield and production would be the second largest on record, behind 2004. Forecast yields

are higher than August across the northern Great Plains and western Corn Belt as moderate to heavy precipitation during the month improved soil moisture levels and crop conditions. Expected yields across the eastern Corn Belt are unchanged from last month. Farmers expect to harvest 71.8 million acres of corn for grain, down 250,000 acres from August and down 4 percent from 2005.

U.S. soybean production is forecast at 3.09 billion bushels, up 6 percent from the August forecast and up slightly from the 2005 crop. If realized, this would be the second highest production on record. Based on September 1 conditions, yields are expected to average 41.8 bushels per acre, up 2.2 bushels from August but down 1.5 bushels from last year's record high yield. Compared with last month, yields are forecast higher across the Corn Belt and most of the northern and central Great Plains. Near or above normal moisture in those areas during August improved crop conditions. In contrast, yields are down or unchanged from the August 1 forecast across the Gulf Coast States and Atlantic Coast States, with the exception of South Carolina.

U.S. burley production is expected to total 225 million pounds, up 3 percent from the August forecast and 10 percent above last year. Burley growers plan to harvest 103,700 acres, less than 1 percent below last month's forecast but up 4 percent from 2005. Yields are expected to average 2,166 pounds per acre, 67 pounds above the August forecast and up 135 pounds from a year ago.

### OHIO AND UNITED STATES, SEPTEMBER 1, 2006, WITH COMPARISONS

OHIO AND UNITED STATES, SEPTEMBER 1, 2000, WITH COMPARISONS							
CROP	Harvested Acres		UNIT	Yield Per Acre		Production	
	2005	2006		2005	2006	2005	2006
Thousands			Thousands				
OHIO							
Corn for Grain	3,250	3,050	bu.	143.0	160.0	464,750	488,000
Soybeans for Beans	4,480	4,380	bu.	45.0	46.0	201,600	201,480
Winter Wheat	830	1,010	bu.	71.0	68.0	58,930	68,680
Oats	60	50	bu.	60.0	68.0	3,600	3,400
Alfalfa Hay	510	470	ton	3.60	3.70	1,836	1,739
All Other Hay	690	740	ton	2.60	2.70	1,794	1,998
Tobacco, All	3.4	3.1	lb.	1,980	2,000	6,732	6,200
Apples	-	-	lb.	-	-	99,000	104,000
Grapes	-	-	ton	-	-	8.5	6.0
UNITED STATES							
Corn for Grain	75,107	71,841	bu.	147.9	154.7	11,112,072	11,113,766
Soybeans for Beans	71,361	73,935	bu.	43.3	41.8	3,086,432	3,092,970
Winter Wheat	33,794	31,108	bu.	44.4	41.2	1,499,129	1,283,134
Oats	1,823	1,907	bu.	63.0	56.3	114,878	107,423
Alfalfa Hay	22,389	22,407	ton	3.38	3.18	75,771	71,205
All Other Hay	39,260	40,290	ton	1.91	1.77	74,819	71,121
Tobacco, All	298.1	334.2	lb.	2,171	2,224	647,278	743,098
Apples	-	-	lb.	-	-	9,864,900	9,619,700
Grapes	-	-	ton	-	-	7,828.7	6,717.0

**Corn for Grain: Plant population per Acre, Selected States, 2002-06**

State	Month	2002	2003	2004	2005	2006
		Number	Number	Number	Number	Number
IL	Sept	26,400	27,150	27,750	28,000	28,050
	Nov	26,350	27,050	27,700	28,000	
IN	Sept	25,350	26,050	26,650	25,300	26,450
	Nov	25,300	25,900	26,500	25,200	
IA	Sept	26,850	27,400	28,000	28,050	28,600
	Nov	26,700	27,250	27,850	28,000	
MN	Sept	26,950	28,700	29,300	28,400	28,850
	Nov	26,800	28,800	29,250	28,400	
NE	Sept	23,250	23,800	24,100	23,900	24,750
	Nov	23,350	23,700	24,050	23,700	
OH	Sept	24,850	25,900	26,950	25,650	26,250
	Nov	24,400	25,900	26,650	25,600	
WI	Sept	26,550	27,300	27,700	27,400	27,250
	Nov	26,650	27,100	27,550	27,050	

**MIDWEST PRODUCTION EXPENDITURES UP 5.4 PERCENT IN 2005**

Farm production expenditures in the Midwest Region totaled 63.6 billion, up 5.4 percent from 2004 according to the National Agricultural Statistics Service (NASS), USDA. In the Midwest Region, 12 of the 16 expenditure categories increased from the 2004 level. The categories containing the largest expenditure increases from 2004 to 2005 were fuels (up 28.7 percent), tractors & self-propelled farm machinery (up 12.5 percent), farm supplies & repairs (up 11.2 percent), farm services (up 10.4 percent), farm improvements & construction (up 10.3 percent), interest (up 10.2 percent), fertilizer, lime, and soil conditioners (up 9.9 percent), taxes (up 8 percent), seeds and plants (up 6.2 percent), and other farm machinery (up 5.1 percent). A few expenditure categories decreased from 2004 to 2005: trucks and autos (down 6.9 percent), labor (down 6.8 percent), feed (down 6.4 percent), and agricultural chemicals (down 1 percent). The Midwest's largest expense items in 2005 were rent (11.9 percent), farm services (11.0 percent), feed (10.5 percent), fertilizer, lime and soil conditioners (7.7 percent) and livestock, poultry, and related expenses (7.6 percent). The average expenditures per Midwest Region's farm in 2005 were \$104,124 compared to \$98,195, for 2004. On the average, Midwest Region farm operations in 2005 spent \$12,387 on rent; \$11,504 on farm services; \$10,931 on feed; \$7,986 on fertilizer, lime, and soil conditioners and \$7,920 on livestock, poultry and related expenses. The

estimates for 2004 indicated that Midwest Region farms spent an average of \$11,825 on rent; \$10,361 on farm services; \$11,614 on feed; \$7,222 on fertilizer, lime, and soil conditioners; and \$7,531 on livestock, poultry and related expenses.

U.S. farm production expenditures totaled \$223.1 billion in 2005, up 5.3 percent from the revised 2004 total of \$211.8 billion. The largest contributors to the increase were: fuels, up 26.3 percent; taxes, up 14.3 percent; fertilizer, up 12.3 percent; livestock, poultry, and related expenses, up 11.5 percent; farm services, up 9.7 percent; interest, up 9.0 percent; and seeds and plants, up 8.3 percent. The largest two expenditure categories were farm services, which accounted for 13.2 percent of the U.S. total production expenses and feed, which accounted for 12.6 percent of the U.S. total production expenses. The average expenditures per U.S. farm in 2005 were \$106,499 compared to \$100,498 as revised for 2004. On the average, U.S. farm operations in 2005 spent \$14,034 on farm services; \$13,642 on feed; \$11,361 on labor; \$10,216 on livestock and poultry purchases; and \$8,163 on rent. Revised estimates for 2004 indicated U.S. farms spent an average of \$14,093 on feed; \$12,716 on farm services; \$11,056 on labor; \$9,110 on livestock and poultry purchases; and \$7,877 on rent.

**2004 & 2005 Regional and United States Farm Production Expenditures**

Midwest Region (IL, IN, IA, MI, MN, MO, OH and WI)	Midwest Region		U.S. <sup>1/</sup>	
	2004 <sup>1/ 2/</sup>	2005	2004 <sup>1/ 2/</sup>	2005
Million Dollars				
Total Farm Production Expenditures <sup>2/ 3/</sup>	60,370	63,630	211,800	223,100
Livestock, Poultry & Related Expenses <sup>4/</sup>	4,630	4,840	19,200	21,400
Feed	7,140	6,680	29,700	28,200
Farm Services <sup>5/</sup>	6,370	7,030	26,800	29,400
Rent <sup>6/</sup>	7,270	7,570	16,600	17,100
Agricultural Chemicals <sup>7/</sup>	2,900	2,870	8,600	8,900
Fertilizer, Lime & Soil Conditioners <sup>7/</sup>	4,440	4,880	11,400	12,800
Interest	2,930	3,230	8,900	9,700
Taxes (Real Estate & Property)	2,500	2,700	7,000	8,000
Labor	3,800	3,540	23,300	23,800
Fuels	2,160	2,780	8,000	10,100
Farm Supplies & Repairs <sup>8/</sup>	3,220	3,580	11,600	12,500
Farm Improvements & Construction <sup>9/ 10/</sup>	3,400	3,750	12,600	12,800
Tractors & Self-Propelled Farm Machinery	2,800	3,150	8,700	8,500
Other Farm Machinery	1,580	1,660	4,300	4,100
Seeds & Plants <sup>11/</sup>	3,840	4,100	9,600	10,400
Trucks & Autos	1,160	1,080	4,800	4,700

1/ Excludes AK & HI. 2/ Total includes production costs not allocated to any of the 16 expense categories published. 3/ Includes landlord and contractor share of farm production expenses. 4/ Includes purchases and leasing of livestock and poultry. 5/ Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities. 6/ Includes public and private grazing fees. 7/ Includes material and application costs. 8/ Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. 9/ Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. 10/ Changed to include operator dwelling expenses (if dwelling is owned by operation) in 2004. 11/ Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment.

# GRAIN AND OILSEED PRICES DOWN IN AUGUST

The August winter wheat price in Ohio of \$2.83 per bushel is down 38 cents from July and 24 cents below the August 2005 average price of \$3.07. The August corn price of \$2.07 is down 18 cents from July, but six cents above the previous August price of \$2.01 per bushel. The State's August soybean price of \$5.39 is down 43 cents from July, and \$1.02 below what was received at the same time last year. The alfalfa hay price in August of \$115.00 per ton is down \$11.00 dollars from July and \$15.00 per ton lower than the price received one year ago. Other hay at \$65.00 per ton is up \$10.00 from July but is \$2.00 below the price received last year at this time.

Ohio's August hog price of \$49.30 per cwt. is up ten cents from July but 70 cents less than was received the previous August. The August sow price of \$35.00 per cwt. is up \$1.20 from the previous month, but \$3.10 per cwt. less than was received at the same time last year. The August barrow and gilt price of \$50.00 per cwt. is unchanged from the previous month, but 90 cents less than was received in August 2005. The beef cattle price in Ohio averaged \$84.00 per cwt. in August, up \$1.20 per cwt. from July and \$6.70 per cwt. more than was received the previous August. The steer and heifer price of \$88.00 per cwt. is up \$1.10 from July and \$7.60 higher than the August 2005 average price. The August cow price of \$48.00 per cwt. is up \$1.70 from July but

\$1.00 lower than at the same time last year. Calves, at \$128.00 per cwt. are up \$2.00 from the previous month and \$14.00 above the previous August price. The August milk price of \$12.40 per cwt. is down ten cents per cwt. from July and \$3.00 lower than the August 2005 price of \$15.40 per cwt. The August egg price of 42 cents per dozen is up 12 cents from July and 14 cents higher than the August 2005 price of 28 cents per dozen.

The preliminary All Farm Products Index of Prices Received by Farmers in August, at 120 percent, based on 1990-92=100, increased 3 points (2.6 percent) from July. The Crop Index is up 3 points (2.4 percent) and the Livestock Index increased 5 points (4.5 percent). Producers received higher commodity prices for lettuce, broilers, tomatoes, and eggs. Lower prices were received for corn, soybeans, sorghum grain, and potatoes. The overall index is also affected by the seasonal change based on a 3-year average mix of commodities producers sell. Increased average marketings of cattle, grapes, calves, and sweet corn offset decreased marketings of wheat, hay, broilers, and cantaloup. Preliminary All Farm Products Index is up 4 points (3.4 percent) from August 2005. The Food Commodities Index, at 124, increased 6 points (5.1 percent) from last month and increased 5 points (4.2 percent) from August 2005.

## AGRICULTURAL PRICES, OHIO AND UNITED STATES , AUGUST 2006 WITH COMPARISONS

Commodity <sup>1/</sup>	Unit	OHIO			US
		August 2005	July 2006	August 2006	August 2006
Winter Wheat	Bu.\$	3.07	3.21	2.83	3.81
Corn	Bu.\$	2.01	2.25	2.07	2.03
Soybeans	Bu.\$	6.41	5.82	5.39	5.24
Oats	Bu.\$	1.75	1.62	5/	1.70
All Hay <sup>2/</sup>	Ton \$	113.00	100.00	101.00	106.00
Alfalfa hay	Ton \$	130.00	126.00	115.00	110.00
Other Hay	Ton \$	67.00	55.00	65.00	91.50
Potatoes	Cwt \$	6/	6/	6/	9.03
Apples	Lb.\$	0.350	5/	0.420	0.399
Hogs	Cwt \$	50.00	49.20	49.30	51.60
Sows	Cwt \$	38.10	33.80	35.00	33.60
Barrows & Gilts	Cwt \$	50.90	50.00	50.00	52.50
All Beef	Cwt \$	77.30	82.80	84.00	87.70
Cows	Cwt \$	49.00	46.30	48.00	46.90
Steers & heifers	Cwt \$	80.40	86.90	88.00	91.80
Calves	Cwt \$	114.00	126.00	128.00	134.00
Sheep	Cwt \$	41.10	30.40	-	-
Lambs	Cwt \$	97.00	89.00	-	-
Milk sold to plants	Cwt \$	15.40	12.50	12.40	11.90
Milk for fluid use	Cwt \$	15.50	12.60	-	11.90
Milk of mfg. grade	Cwt \$	13.70	11.00	-	11.00
Eggs <sup>3/</sup>	Doz \$	0.280	0.300	0.420	0.388

### FEED PRICE RATIOS

Hog-corn ratio <sup>4/</sup>	24.9	21.9	23.8	25.4
------------------------------	------	------	------	------

1/ Monthly average except for current month. 2/ Mid-month price for all months. 3/ Fresh market (table ) eggs. 4/ Bushels of corn equal in value to 100 pounds of hogs live weight. 5/ Insufficient sales to establish a price. 6/ Estimates discontinued in 2005.

SEPTEMBER U.S. SUPPLY AND DEMAND <sup>1/</sup>						
	Corn		Wheat		Soybeans	
	2005/06	2006/07 <sup>2/</sup>	2005/06	2006/07 <sup>2/</sup>	2005/06	2006/07 <sup>2/</sup>
Million Bushels						
Beginning Stocks	2,114	2,012	540	568	256	485
Production	11,112	11,114	2,105	1,801	3,086	3,093
Imports	11	10	82	105	4	4
Total Supply	13,237	13,135	2,727	2,474	3,346	3,581
Domestic Use	9,075	9,665	1,149	1,145	1,917	1,926
Exports	2,150	2,250	1,009	900	945	1,125
Total Use	11,225	11,915	2,159	2,045	2,862	3,051
Ending Stocks, Total	2,012	1,220	568	429	485	530
Average Price (\$/bu.)	1.99	2.15-2.55	3.42	3.95-4.45	5.68	4.90-5.90

1/ From World Agricultural Supply and Demand Estimates, ERS, FAS, USDA. 2/ Projected.

U.S. INDEX SUMMARY TABLE				
Index 1990-92=100	2005		2006	
	July	August	July	August
Prices Received	116	116	117	120
Prices Paid	141	141	148	148
Ratio <sup>1/</sup>	82	82	79	81

1/ Ratio of index of prices received by farmers to index of prices paid.

PRST STD  
POSTAGE & FEES PAID  
USDA  
PERMIT NO. G-38